



Santa Ana College
Santiago Canyon College

Rancho Santiago Community College District Propels Local Economic Growth, Provides Key Benefits to Taxpayers and is Essential to Student Prosperity

Rancho Santiago Community College District is an integral economic engine vital to the well-being of the region and state. Even as the state's struggling economy and concurrent budget shortfall have led to drastic cutbacks in spending and services, the District has continued to touch every aspect of life in Orange County, enriching the lives and earning power of students while helping to drive the economy toward recovery.

According to the Orange County Business Council (OCBC) study, *The Socioeconomic Benefits Generated by Orange County's Community Colleges*, the academic institutions of Rancho Santiago Community College District provide benefits to communities, taxpayers, and students that far exceed the institutions' costs of operation.

The study finds that Rancho Santiago Community College District plays a significant role in fueling the state and local economy, leveraging taxpayer dollars, generating a return on investment, and increasing students' earning potential.

OCBC's study also reveals significant regional economic benefits beyond what students gain individually from their education. If the colleges did not exist, taxes would have to be raised to cover the costs of economic, quality-of-life and social benefits the District now provides to the community.



Rancho Santiago Community College District **maximizes the impact of every taxpayer dollar**. The workforce benefits from **newly skilled college-trained workers who earn more--due to their education--**than their non-college educated counterparts. Consequently, their **employers become more profitable** because of skilled services rendered, resulting in more efficient **return on investment** for property owners, increased regional tax revenues, and increased labor and non-labor incomes.

Rancho Santiago Community College District: Investment and Economic Growth Benefits

From an investment perspective, both community college students and taxpayers are winners:

- Graduates with Associate's degrees **earn over \$11,000 more per year** and nearly **\$387,000 more during a working lifetime** than workers with only high school diplomas, and almost \$20,000 more annually than workers without a high school diploma.
- Students receive a **17.4% return on their investment** of time and money, well above the current <1% of standard bank savings accounts or 8% to 10% long-term average of U.S. stocks and bonds.
- **Taxpayers receive a 15.5% return on their investment**, well above the 4% normally received from government organizations. This indicates that community colleges generate a significant surplus in the economy and those returns fund other state and local programs.
- Taxpayers will see a **return of investment of \$4.78** for every dollar appropriated by the state and local government.

From a regional economic growth perspective, the value of Rancho Santiago Community College District accounts for over \$2.4 billion in combined economic activity, higher earnings, increased spending, and public benefits:

- Rancho Santiago Community College District operates Santa Ana College and Santiago Canyon College.
- Rancho Santiago Community College District directly **employs over 1,853 faculty and staff**; the total effect of Rancho Santiago Community College District operations is the employment of 3,805 individuals.
- Rancho Santiago Community College District operations **enhance the regional economy by over \$421 million annually**.
- Rancho Santiago Community College District construction programs will generate approximately **\$58 million in regional economic impact** over the next 10 years.

Rancho Santiago Community College District Significantly Benefits Students' Future Career Earning Potential

The total impact that instruction has on student earnings over an estimated 35-year career is estimated to be over **\$6.8 billion**, with a net present value of \$2.3 billion.

Orange County community colleges **graduate thousands of students** annually who transfer to the University of California, California State University systems, and private education institutions.

Additionally, many Rancho Santiago Community College District students are taking **career technical education** courses to prepare them for Orange County's immediate workforce needs, such as **nurses, firefighters, police officers and emergency medical technicians**.

The positive economic impact and return on investment of a community college education verify that its funding is a worthy investment for state policymakers. The data demonstrate that the **return on investment to students surpasses any other chosen career investment-making pathway**. Furthermore, the assets taxpayers entrust to state and local governments for capitalization at the colleges are returned over and above the budgeted expenses through **increased income, personal and business tax receipts, and social welfare savings**. If state funding appropriations ceased, those economic benefits would be threatened and the colleges would be forced to consider **increases in local fees and taxes** to ensure continuity. Indeed, they are now doing so.

Rancho Santiago Community College District's Student and Community Benefits by Credit Hour

For students, annual average income, after taxes, increases **roughly \$70** for each credit hour of instruction.

For communities, annual income and quality-of-life improvements increase about **\$135** for each credit hour of instruction.

The social benefits to the state as a result of the education that the community colleges provide are noteworthy. These benefits consist of **reductions in social/protective services spending** provided by the state and improved work-related health because attendees of the colleges become **productive citizens in the workforce**. The indicators of these benefits are improvement in workplace health, crime mitigation, and welfare/unemployment savings.

Quality-of-Life Benefits

Research that demonstrates a correlation between higher education and quality-of-life benefits, applied to Rancho Santiago Community College District, produces annual savings of over \$18.8 million in avoided costs:

- Students' improved health and lifestyle habits **save over \$7.3 million** through lower absenteeism from work, reduced smoking, and reduced alcohol abuse.
- Lower crime among students **saves more than \$8.2 million** through fewer incarcerations, less negative impact on productivity due to incarcerations, and fewer costs incurred by victims of crime.
- Lower incidences of welfare and unemployment save almost **\$3.3 million**.

Rancho Santiago Community College District Profile

In fiscal year 2011-2012, the base year of the study, the Rancho Santiago Community College District represented:

- Two community colleges campuses:
 - Santa Ana College
 - Santiago Canyon College
- Student enrollment totaling 106,216
- Faculty and staff totaling 1,853
- Payrolls totaling \$152.3 million
- Budgets totaling \$255.8 million

Communities Served by Rancho Santiago Community College District

Rancho Santiago Community - Anaheim Hills, Garden Grove, Irvine, Orange, Santa Ana, Tustin, and Villa Park.

Rancho Santiago Community College District

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